

**CHAPTER NO. 94****SENATE BILL NO. 202****By Henry****Substituted for: House Bill No. 526****By McDonald**

AN ACT to amend Tennessee Code Annotated, Section 7-82-307, relative to utility district board commissioners.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-82-307(b), is amended by adding the following language as a new, appropriately designated subdivision:

(3)(A) If a utility district is under the jurisdiction of the utility management review board pursuant to § 7-82-701(a), then the utility management review board may initiate a contested case hearing on the question of whether a member or members of the board of commissioners of the utility district should be removed from office and a new member or members appointed or elected on the grounds that either:

(i) The utility district failed to comply with an order of the utility management review board; or

(ii) A member or members of the board of commissioners of the utility district committed misconduct in connection with such office or failed to perform any duty imposed by law on such office.

Failure of a member to vote in favor of a rate structure prescribed by the utility management review board that has been adopted by the utility district does not in itself constitute grounds for removal. If the utility management review board elects to hold a contested case hearing on this issue, then the hearing shall be conducted within the service area of the utility district.

(B) If the utility management review board concludes a member or members of the board of commissioners of the utility district should be removed from office for failure to comply with an order of the utility management review board or should be removed from office for committing misconduct in connection with such office or failing to perform any duty imposed by law, then the utility management review board shall issue an order removing such member or members from office. Any vacancy on the board of commissioners shall then be filled by the selection method used by the utility district to fill vacancies; provided, that no member of the board of commissioners ousted by order of the utility management review board shall be eligible for reappointment or reelection or shall participate in either the nomination, appointment or election of new members by the board of commissioners.

(C) The provisions of this subdivision (b)(3) shall not be construed as limiting any civil or criminal liability of any such member of the board of commissioners or the applicability of the ouster law, Tennessee Code Annotated, §§ 8-47-101, et seq.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

**PASSED: April 11, 2005**

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

**APPROVED this 22<sup>nd</sup> day of April 2005**

  
PHIL BREDESEN, GOVERNOR